

**SOUTHERN BERKSHIRE HILLS  
REGIONAL SCHOOL DISTRICT AGREEMENT**

(the “**8 Town Regional Agreement**”)

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This Southern Berkshire Hills Regional School District Agreement (this “**Agreement**”) is entered into pursuant to Chapter 71 of the Massachusetts General Laws (“**G.L.**”) between and among the Towns of Alford, Egremont, Great Barrington, Monterey, New Marlborough, Sheffield, Stockbridge, and West Stockbridge (collectively, the “**Member Towns**” and individually a “**Member Town**”). This regional school district will be known as the Southern Berkshire Hills Regional School District (the “**District**”).

(For ease of cross-referencing, all capitalized terms defined below are also listed in alphabetical order in section XVI below.)

## SECTION I: TYPE OF REGIONAL SCHOOL DISTRICT

A. The District shall include all grades from pre-kindergarten through grade twelve. The District is a body politic and corporate with all the powers and duties conferred by law and by this Agreement, as this Agreement may be amended from time-to-time.

B. The school committee of the District (the “**Committee**”) is hereby authorized in its discretion to establish and maintain state-aided vocational education, acting as trustees therefor, in accordance with the provisions of G.L. Chapter 74, as amended, and any other laws relative thereto, and is authorized to join or form educational collaboratives consistent with G.L. Chapter 40, § 4E, as amended.

## SECTION II: DISTRICT SCHOOL COMMITTEE

### A. Composition

The powers and duties of the District shall be vested in and exercised by the Committee. The Committee shall consist of 11 members, with one member being a resident of Alford, one member being a resident of Egremont, one member being a resident of Monterey, one member being a resident of New Marlborough, two members being residents of Sheffield, one member being a resident of Stockbridge, one member being a resident of West Stockbridge and three members being residents of Great Barrington.

### B. Elections

Committee members shall be elected in district-wide elections (with the residency requirements set forth in section II(A) above) to be held at the biennial state elections.

### C. Vacancies

If a vacancy occurs on the Committee among the members elected in accordance with this Agreement, the Select Board of the Member Town with any such vacancy together with any remaining Committee member(s) who are resident in the Town involved, acting jointly, shall post such vacancy, consider applicants, and appoint a member to fill such vacancy for the balance of the unexpired term. Such appointment shall occur within sixty (60) days of any such vacancy.

#### D. Organization

The Committee shall organize and choose annually by majority vote taken by an open ballot a Chair and a Vice Chair from its members at the first Committee meeting following district-wide election and qualification of successors (the “**Reorganization Meeting**”). At the same meeting, or at any other meeting, the Committee shall appoint a Treasurer and a Secretary who may be the same person but who need not be members of the Committee, and the Committee shall choose such other officers as it deems advisable. The Chair shall appoint persons to serve on subcommittees within thirty (30) days of the Reorganization Meeting or as soon thereafter as possible.

#### E. Powers and Duties

The Committee shall have all the powers and duties conferred upon school committees by law and this Agreement, and such other additional powers and duties as are specified in G.L. Chapter 71, §§ 16 to 16I inclusive, and any amendments thereof or additions thereto now or hereafter enacted, or as may be specified in any other applicable general or special law.

#### F. Quorum

The quorum for the transaction of business shall be a majority of the full membership of the Committee (i.e., 6 members), but a number less than the majority may adjourn.

#### G. Votes Requiring a 2/3 Committee Vote

A passing vote on the following issues shall require a 2/3 vote of the Committee:

1. vote to pass and amend a budget (see section V(B) below and G.L. c. 71, § 16B);
2. vote to change process set forth in section VII(A) for approval by voters in the Member Towns of debt authorized by the Committee;
3. vote to amend this Agreement (see section IX(B) below); and
4. vote to close any school (see section IV(F) below).

Notwithstanding anything to the contrary herein, no 2/3 vote shall be required on any vote that by statute or regulation requires only a majority vote, and a 2/3 vote shall be required on any vote that by statute or regulation requires a 2/3 vote.

### SECTION III: STUDENTS; ASSIGNMENTS; INTRA-DISTRICT CHOICE; VOCATIONAL; TUITION

#### A. Students Entitled to Attend the District Schools

The District shall accept all age-eligible students who reside in the Member Towns.

## B. Assignments

The Superintendent shall assign students to the schools, taking into account, but not bound by, any recommendations of the Committee, consistent with the Education Reform Act of 1993, as amended and consistent with the provisions respecting closure of any school set forth in section IV(F). District students shall attend the school in closest proximity to their residence as appropriate to the grade level or program needed, with transportation provided by the District as required by law and school committee policy, except:

1. Transition. Students enrolled in a District elementary school not in closest proximity to their residence as of January 1, 2026 (or if the Transition Period terminates June 30, 2025, as of January 1, 2025) may elect to remain at that school through all grade levels offered in that school and through associated middle grades at that same location; and students enrolled in a District middle school not in closest proximity to their residence may elect to remain at that school through 8<sup>th</sup> grade. The District will provide transportation for those students who make these elections.
2. Emergency Placements. Notwithstanding anything to the contrary herein, the Superintendent shall have discretion to move students to different school buildings to address emergency situations including, without limitation, when damage to a physical plant renders a school unusable or otherwise unsafe, in whole or in part, for its intended purpose.

## C. Intra-District Choice

Subject to seat availability to be determined annually, students who reside within the District may attend a District school not in closest proximity to their residence. If the Committee decides to participate in inter-district school choice (G.L. c. 76, § 12B), resident student applicants for such intra-district choice will be given priority to attend a school over non-resident student applicants for inter-district choice. In addition, intra-district choice applicants with siblings enrolled in the desired school will be given priority to attend that same school over intra-district choice applicants without siblings enrolled in the desired school. Transportation for students who attend a school not in closest proximity under this subparagraph C must be provided by that student's family except to the extent the Superintendent determines, on an annual basis, existing bus routes and bus capacity reasonably allow the District to provide such transportation without additional significant expense to the District. In making that determination, the Superintendent may take into account the cost to the District for the applicable bus routes net of allowable state reimbursement.

## D. Vocational School Students

Any student residing in a Member Town who desires to attend a vocational school outside the District shall be entitled to attend such school to the extent required by law and the cost of tuition for attending any such school and the cost of transportation and any capital cost, as applicable, shall be borne by the Town wherein the student resides (not by the District).

#### E. Tuition Students

The Committee may accept for enrollment in the District students from towns other than the Member Towns as permitted by law on a tuition basis (as distinct from inter-district school choice) and upon such terms as the Committee may determine.

### SECTION IV: LOCATION, OWNERSHIP, LEASE, AND CLOSURE OF SCHOOLS

#### A. Location

The District shall provide suitable school facilities for students of all the Member Towns. All schools shall be located within the Member Towns. The Committee shall determine the location, structure, and physical plants of all schools and school facilities. The District shall assume all expenses of operation and maintenance of all District schools.

#### B. School Ownership

School buildings in Member Towns may be owned by the District or leased to the District. The Committee shall have general charge and superintendence over any leased buildings.

Ownership of the land and buildings owned by the Berkshire Hills Regional School District (the “**BHRSD**”) and the Southern Berkshire Regional School District (the “**SBRSD**”) as of the date of this Agreement shall be transferred to the new District on the Operational Date in accordance with the Special Legislation (as both terms are defined in section XV below).

Commencing on the Operational Date, the District will lease the school building currently operated by the SBRSD in Egremont from the Town of Egremont and the school building currently operated by the SBRSD in New Marlborough from the Town of New Marlborough for the continued operation of the schools in those locations on the terms provided in subparagraphs (C) – (E) below, together with such other terms as the Committee and the Town of Egremont and Town of New Marlborough shall agree.

#### C. Term of Leased Schools

Any lease of a school building and its associated land (collectively, the “**Leased Premises**”) shall be for a term of not more than twenty (20) years and shall include a provision that allows the District to extend the term for an additional term not to exceed twenty (20) years. Any such renewal shall be at the option of the Committee by notice to the Town at least one (1) year prior to the expiration of the initial or any renewal term. Any such lease shall also allow the Town from which the Premises is leased to reclaim possession of the Premises upon termination of the lease.

#### D. Right to Improve Leased Schools

Any lease of a school building shall authorize the District to improve, alter, remodel or modernize the Leased Premises (collectively, “**Leasehold Improvements**”). Capital costs

incurred in connection with any such Leasehold Improvements authorized by the District shall be borne by the District and assessed to the Member Towns (i) for Leased Premises owned as of the date of this Agreement by the towns of Egremont and New Marlborough (the “**Town-Owned Building(s)**” or “**TOB**”) in accordance with the methodology set forth in Section VI(B)(3) (for TOB Improvements financed by debt) or Section VI(C) (for TOB Improvements not financed by debt) and (ii) for all other Leased Premises, in accordance with the methodology set forth in Section VI(B)(4). The District may (but shall not be required to) condition any decision to incur any capital costs that would require the District to incur debt on a Member Town’s agreement to convey title to the Premises, or any part thereof, to the District. Should a Member Town decline to so convey title, such Member Town may elect to incur such capital cost itself. Should such Member Town decline to either convey title to the Premises or itself fund the Leasehold Improvements, the District shall have the option to terminate the lease subject to the District’s complying with the provisions respecting a Proposed School Closing set forth in subparagraph (F) below.

#### E. Costs of Maintenance of Leased Schools

No rental shall be charged to the District by any Member Town for a leased school building; provided, however, the District shall bear all costs for insurance, maintenance and repair, utilities and other services associated with the Leased Premises. Such costs shall be classified as operating costs except for costs that are recognized as capital costs under applicable school finance law or guidelines, with such capital costs assessed to the Member Towns according to the methodology set forth in Section VI(B)(3) or Section VI(C), as applicable. For clarity, leased district offices not within a school building shall not be subject to this subparagraph.

#### F. School Closures

1. No action shall be taken on any proposal to close any existing school (a “**Proposed School Closing**”) without the District’s Central Office conducting the following. (A school closure is defined as a decision intended to be permanent to no longer assign District students to a particular school.):

- a. A feasibility study conducted at least ten (10) months in advance of the Proposed School Closing that includes an assessment of the educational impact on students. Under extraordinary circumstances, this timeline may be modified by a majority vote of the Committee.
- b. A fiscal analysis to determine the impact on the regional budget (including any expected cost savings), and the impact on individual assessments to the Member Towns of the Proposed School Closing.
- c. A review of and recommendation pertaining to grade span schemes and how reassignment of students will occur.
- d. A review of population trends to determine the long-term impact of the Proposed School Closing. (The analysis required under subparagraphs (b), (c) and (d) may be part

of the feasibility study or conducted later so long as such work is completed before the public hearings required under subparagraph (f) below).

e. A meeting with the Select Board of the Member Town in which the school being studied for closing is located.

f. Two separate public hearings; such public hearings to be held at least seven (7) days apart and both of such hearings to be held at least fourteen (14) days prior to any vote of the Committee on the Proposed School Closing. At least one of such public hearings shall be held in the Member Town in which the subject school would be closed.

2. The Committee must vote to begin the study described in subparagraph 1(a) above at least ten (10) months prior to any vote to close a school.

3. A vote by the Committee to close a school shall require a two-thirds (2/3) vote of the Committee with at least one member from a minimum of six (6) towns voting to support closure. The vote shall be held at a regularly scheduled Committee meeting.

4. No vote of the Committee to close any existing school shall be effective unless such vote is ratified by majority vote of resident voters at an annual or special town meeting in at least six (6) of the Member Towns. The Select Boards of the Member Towns shall schedule such annual or special town meetings in their respective towns no later than ninety (90) days following the Committee vote. A school may then be closed at the first June 30th after an affirmative vote at town meetings of six (6) of the Member towns.

5. In the event a District-owned school is closed in accordance with this subparagraph, ownership of the school and the land upon which it is located will revert to the Member Town in which it is located, unless the capital costs incurred to construct or make any other improvements to the school building(s) or property were funded in whole or in part by the District (or, as the case may be, by the BHRSD or the SBRSD), in which case the proceeds from (i) any sale of such building(s) and property, to the extent such sale is permitted by law, shall be shared by the applicable Member Towns pro rata in accordance with the assessment methodology applicable at the time of payment for such construction or improvement, (ii) any lease of the property shall be applied as provided by G.L. c. 71, § 16(r). All personal property and removable fixtures of any such school (collectively, the “**School Personal Property**”) shall also be shared by the Member Towns that have contributed to the cost of such School Personal Property pro rata in accordance with the assessment methodology applicable at the time of payment for such School Personal Property. (For purposes of this subparagraph 5, the term improvement(s) shall have the meaning ascribed to it under Massachusetts common law respecting real property.)

## SECTION V: BUDGET

### A. Budget

The Committee shall annually determine the District’s budget consistent with the timelines, terms and requirements of G.L. c. 71, § 16B, as amended, and other applicable law consistent with regulations promulgated by the Board of Elementary and Secondary Education (“**BESE**”).

The budget shall include three categories: Operating Costs, Capital Costs and Transportation Costs.

#### B. Public Budget Hearing and Budget Approval

1. The Committee shall hold a public hearing consistent with G.L. c. 71, § 38N, as amended. The hearing shall be posted in accordance with the Open Meeting Law in advance of the hearing, stating the time, place and purpose of the hearing at which the Committee will present the proposed District tentative budget and shall answer reasonable inquiries with respect thereto. After conducting the public hearing and making any modifications to its tentative budget as the Committee deems necessary or desirable, the Committee shall, by a minimum two-thirds (2/3) vote of all its members (G.L. c. 71, § 16(B), annually approve an operating, transportation, and capital/debt budget for the next fiscal year to maintain and operate the District. The Committee shall thereafter submit its adopted budget to the District Treasurer, and the District Treasurer shall then certify the budget and assessments to the Chair of the Select Board and Chair of the Finance Committee of each of the Member Towns.

2. The budget will be itemized in such detail as required by applicable school finance regulations/chart of accounts. Such budget shall be adopted not later than forty-five (45) days prior to the earliest date of the Annual Town Meeting of any Member Town, but in no event later than March 31, provided that said budget need not be adopted earlier than February 1. The amounts so apportioned under Section VI for each Member Town shall be certified by the District Treasurer to the Treasurers of the Member Towns according to G.L. c. 71, § 16B, as amended. The annual budget, as adopted by a two-thirds (2/3) vote of all of the members of the Committee, must be approved by a simple majority vote at two-thirds (2/3) of the local appropriating authorities of the Member Towns, and if so approved, each Member Town shall appropriate the amount so certified to its Treasurer. If a budget is not approved by two-thirds (2/3) of the Member Towns, the District shall follow the process to approve a final budget as stated in G.L. c. 71, § 16B, as amended.

#### C. Amendments to Approved Budgets [603 CMR 41.05 (5), as amended]

1. The Committee may propose, with a two-thirds (2/3) vote, an amendment to a previously approved budget. If such amendment results in an increase in the total amount of the budget or an increase in assessment for any Member Town, such amendment shall be submitted to the local appropriating authorities for their approval. The Treasurer of the District shall submit the proposed amendment to the Member Towns within seven (7) days from the date of the Committee vote. The local appropriating authority of both Member Towns shall have forty-five (45) days from the date of the Committee's vote to meet and consider the amendment. The proposed amendment shall be effective if it is approved by two-thirds (2/3) of the Member Towns.

2. If a local appropriating authority does not vote on the proposed amendment within the forty-five-day (45-day) period and that local appropriating authority has previously appropriated funds for its assessment in an amount greater than or equal to the Member Town's assessment for the amended budget, that Member Town shall be deemed to have approved the amended budget.

3. If a proposed amendment to a previously approved budget does not increase the total amount of the budget and reduces or leaves unchanged the assessment for every Member Town, the

amendment shall not require approval by the local appropriating authorities and shall be effective upon a two-thirds (2/3) vote of the Committee.

4. Whenever a Member Town's assessment is reduced to a smaller amount than previously appropriated by the local appropriating authority, the appropriation shall automatically be deemed to be reduced to such lesser amount.

#### D. Payment by Member Towns

The dates on or before which each Member Town shall pay its proportionate share of the operating costs, transportation costs, and capital/debt costs to the District each year shall be paid on or before the date indicated below:

September 1	25%
December 1	50%
March 1	75%
June 5	100%

### SECTION VI: APPORTIONMENT OF COSTS

#### A. Definitions

**Amount Above Required Local Contribution** means each Member Town's share of the Aggregate Amount Above Required Local Contribution.

**Aggregate Amount Above Required Local Contribution** means the operating budget of the District less Chapter 70 state aid, the sum of the Required Local Contributions of each Member Town and all other general revenue sources.

**BHRSD Towns** means the towns of Great Barrington, Stockbridge, and West Stockbridge.

**Capital Costs** means all expenditures relating to capital outlay, such as payment of the principal of and interest on bonds or other obligations issued by the District (or predecessor districts) to finance capital costs, and any other expenses associated with the acquisition of real estate, construction and improvement of buildings, grading, purchase of equipment, and other activities incidental to any subsequent additions and improvements thereto.

**EQV** means equalized property value as determined by the Commonwealth in accordance with G.L. c. 58 § 9 *et seq.*

**Minimum OTN Town Assessment** means the Required Local Contribution plus the Transportation Costs assessment plus the Non-Debt Capital Costs assessment for a Member Town in any given year.

**MSBA** means the Massachusetts State Building Authority.

**New High School** or **NHS** means the high school for the new District to be built on the campus of the current high school of the BHRSD for the students of the eight Member Towns.

**New High School Debt** means the debt incurred in connection with the construction of the New High School.

**Non-Debt Capital Costs** means all Capital Costs not financed by debt.

**Operating Costs** means all costs other than transportation and capital costs, such as salaries, wages, supplies, texts, repair and maintenance expenditures, interest on notes issued in anticipation of revenue and other costs incurred in the day-to-day operation of the District.

**Required Local Contribution** has the meaning provided under G.L. c. 70, § 2. (For the avoidance of doubt, the Required Local Contribution as used herein shall mean only such Required Local Contribution as a Member Town is required to make to the District.)

**Required District Contribution** means the sum of the eight Member Towns' Required Local Contributions.

**Rolling Average Applicable Percentage** means the percentage share that such Member Town's five-year rolling average Required Local Contribution bears to the District's five-year rolling average Required District Contribution (i.e., an individual Member Town's five-year rolling average Required Local Contribution divided by the total of all Member Towns' five-year rolling average Required District Contributions, expressed as a percentage).

**SBRSD Towns** means the towns of Alford, Egremont, New Marlborough, Monterey, and Sheffield.

**SBRSD Legacy Debt** means capital debt incurred by the SBRSD prior to the formation of the District.

**Total OTN Town Assessment** means the total of Operating Costs assessment, Transportation Costs assessment and Non-Debt Capital Costs assessment for a Member Town in any given year.

**Town-Owned Building(s) or TOB** has the meaning set forth in section IV(D) above.

**TOB Debt** means any debt incurred by the District to improve one or more TOB.

**Transportation Costs** means all costs related to the transportation of all resident students who are transported by the District to and from school.

#### B. Apportionment of Capital Costs Financed by Debt

Capital Costs financed by debt shall be apportioned to the Member Towns as follows:

##### 1. SBRSD Legacy Debt

Debt service costs on SBRSD Legacy Debt shall be assessed to the SBRSD Towns. Each SBRSD Town's respective share of those costs shall be calculated by multiplying the annual debt service cost on such SBRSD Legacy Debt by the percentage share that such Member Town's 5-year rolling average Required Local Contribution bears to the aggregate of the SBRSD Towns' 5-year rolling average Required Local Contributions. The 5-year rolling averages in any given

year shall be calculated using the Required Local Contribution for the then current and prior four fiscal years.

## 2. New High School Debt

New High School Debt shall be apportioned as follows (see Appendix A for an illustration of this methodology):

- a. 90.0% of the total cost of the New High School shall be apportioned to the BHRSD Towns (the “**BHRSD NHS Apportioned Share**”), and 10.0% of such total cost shall be apportioned to the SBRSD Towns (the “**SBRSD NHS Apportioned Share**”).
- b. MSBA aid provided to construct the new high school shall be applied as follows:
  - i. Base aid received (“**Base Aid**”) shall be credited against the BHRSD NHS Apportioned Share. The net cost shall be the “**BHRSD NHS Net Apportioned Share.**”
  - ii. Regional incentive aid received (“**Regional Incentive Aid**”) shall be credited against the SBRSD NHS Apportioned Share. The net cost shall be the “**SBRSD NHS Net Apportioned Share.**”
  - iii. Any MSBA aid received in addition to Base Aid and Regional Incentive Aid shall be applied to reduce the total project cost prior to the 90.0%/10.0% apportionment described in subparagraph B(2)(a) above.
- c. The District shall assess New High School Debt service payments annually as follows:
  - i. The BHRSD Towns’ annual debt service liability shall be the debt service cost attributable to the BHRSD NHS Net Apportioned Share (“**BHRSD Towns’ Annual NHS Debt Liability**”).
  - ii. The SBRSD Towns’ annual debt service liability shall be the debt service cost attributable to the SBRSD NHS Net Apportioned Share (“**SBRSD Towns’ Annual NHS Debt Liability**”).
- d. Beginning in FY 2033, and on an annual basis through FY 2038, 1.0% of the District’s New High School Debt service costs will be shifted from the BHRSD Towns to the SBRSD Towns, reducing the percentage share used to determine the BHRSD Towns’ Annual NHS Debt Liability by 1.0% each year, and increasing the percentage share used to determine the SBRSD Towns’ Annual NHS Debt Liability by 1.0% each year. The BHRSD Towns’ Annual NHS Debt Liability for FY 2039 and later shall be the BHRSD Towns’ Annual NHS Debt Liability for FY 2038. The SBRSD Towns’ Annual NHS Debt Liability for FY 2039 and later shall be the SBRSD Towns’ Annual NHS Debt Liability for FY 2038.
- e. Each Member Town’s annual debt liability for the New High School shall be determined as follows:

i. For the BHRSD Towns, each town's respective share of the annual New High School Debt service costs shall be calculated by multiplying the BHRSD Towns' Annual NHS Debt Liability by the percentage share that such town's EQV bears to the aggregate of the BHRSD Towns' EQV.

ii. For the SBRSD Towns, each town's respective share of the annual New High School Debt service costs shall be calculated by multiplying the SBRSD Towns' Annual NHS Debt Liability by the percentage share that such town's EQV bears to the aggregate of the SBRSD Towns' EQV.

### 3. Town-Owned Building(s) Debt

For so long as there is New High School Debt outstanding, any capital debt incurred for improvements to Town-Owned Buildings (the "**TOB Improvements**"), shall be apportioned as follows:

a. After all state or other aid is applied, 10.0% of the total net cost of the TOB Improvements shall be apportioned to the BHRSD Towns (the "**BHRSD TOB Net Apportioned Share**") and 90.0% of the total net cost of the SBRSD TOB Improvements shall be apportioned to the SBRSD Towns (the "**SBRSD TOB Net Apportioned Share**").

b. The District shall assess TOB Debt service payments annually as follows:

i. The BHRSD Towns' annual debt service liability will be the debt service cost attributable to the BHRSD TOB Net Apportioned Share ("**BHRSD Towns' TOB Annual Debt Liability**").

ii. The SBRSD Towns' annual debt service liability will be the debt service cost attributable to the SBRSD TOB Net Apportioned Share ("**SBRSD Towns' TOB Annual Debt Liability**").

c. Beginning in FY 2033, and on an annual basis through FY 2038, 1.0% of the annual TOB Debt service costs shall be shifted from the SBRSD Towns to the BHRSD Towns, reducing the percentage share used to determine the SBRSD Towns' TOB Annual Debt Liability by 1.0% each year and increasing the percentage share used to determine the BHRSD Towns' TOB Annual Debt Liability by 1.0% per year. The BHRSD Towns' TOB Annual Debt Liability for FY 2039 through the retirement of the New High School Debt shall be the BHRSD Towns' TOB Annual Debt Liability for FY 2038. The SBRSD Towns' Annual Debt Liability for FY 2039 through the retirement of the New High School Debt shall be the SBRSD Towns' TOB Annual Debt Liability for FY 2038. Thereafter, each Member Town's respective share of annual debt service costs for TOB Improvements shall be as provided under subparagraph B(4) below.

d. Each Member Town's annual debt liability for the TOB Improvements shall be determined as follows:

i. For the BHRSD Towns, each town's respective share of the annual TOB debt service costs shall be calculated by multiplying the BHRSD Towns' TOB Annual

Debt Liability by the percentage share that such town's EQV bears to the aggregate of the BHRSD Towns' EQV.

ii. For the SBRSD Towns, each town's respective share of the annual TOB debt service costs shall be calculated by multiplying the SBRSD Towns' TOB Annual Debt Liability by the percentage share that such town's EQV bears to the aggregate of the SBRSD Towns' EQV.

#### 4. Other Debt

Other than as provided above in subparagraph B(1)-B(3) above, each Member Town's respective annual share of debt service costs for all capital debt shall be calculated by multiplying such costs by the percentage share that such Member Town's EQV bears to the aggregate of all Member Towns' EQV.

#### C. Apportionment of Capital Costs Not Financed by Debt

All Non-Debt Capital Costs shall be apportioned to each Member Town by multiplying the Non-Debt Capital Costs in any given year by such Member Town's Rolling Average Applicable Percentage.

#### D. Apportionment of Transportation Costs

Transportation Costs less the amount of Chapter 71 transportation reimbursement shall be apportioned to each Member Town by multiplying the Transportation Costs in any given year by such Member Town's Rolling Average Applicable Percentage.

#### E. Apportionment of Operating Costs; Capped Percentage Increase; Total OTN Town Assessment; Minimum OTN Town Assessment

The Operating Costs assessed to each Member Town shall be each Member Town's Required Local Contribution (calculated according to the statutory assessment method) plus each Member Town's Amount Above Required Local Contribution determined as follows:

Each Member Town's Amount Above Required Local Contribution shall be calculated by multiplying the Aggregate Amount Above Required Local Contribution in any given year by such Member Town's Rolling Average Applicable Percentage; *provided, however*, that no Member Town's Total OTN Town Assessment shall increase more than the percentage increase in the aggregate of Total OTN Town Assessments in that year for the District (the "**District Annual Assessment Percentage Increase**") plus two percent (2%) (the District Annual Assessment Percentage Increase plus 2% equal to the "**Capped Percentage Increase**"). In the event said percentage increase for any Member Town is greater than the Capped Percentage Increase, then the excess amount shall be redistributed to the other Member Towns using the five-year rolling average of the Required Local Contribution for those towns below the Capped Percentage Increase until none of the Member Towns' Total OTN Town Assessment increase exceeds the Capped Percentage Increase. In calculating the applicable share of the amount to be redistributed for each of the Member Towns below the Capped Percentage Increase (the "**Below the Cap Towns**"), the five-year rolling averages of just the Below the Cap Towns shall be used.

Any such redistribution shall be made by adjusting the Amount Above Required Local Contribution for the respective Member Towns.

In no event shall the application of the methodology set forth in this subparagraph E result in a Total OTN Town Assessment below the Minimum OTN Town Assessment in any given year. In the event any Member Town's Total OTN Town Assessment as calculated above is below the Minimum OTN Town Assessment such Member Town's Total OTN Town Assessment shall be increased to equal such Member Town's Minimum OTN Town Assessment, and the assessments to the other Member Towns shall each be decreased by a pro rata share of any such adjustment, provided, however, that no Member Town's Total OTN Town Assessment shall be adjusted below its Minimum OTN Town Assessment..

(See Appendix B for an illustration of this methodology.)

#### F. Total Assessment to Each Member Town

Total assessments to each Member Town shall be the sum of such Member Town's Total OTN Town Assessment determined in accordance with subparagraph E and its Capital Costs financed by debt assessment determined in accordance with subparagraph B above.

### SECTION VII: INCURRING DEBT

A. The Committee may vote by majority vote to incur debt consistent with the terms and conditions of G.L. c. 71, § 16, as amended. The provisions of G.L. c. 71, § 16(n) shall be followed to secure the approval of any such vote by the registered voters of the Member Towns, provided, however, that the Committee may elect to follow the process under section 16(d) upon a vote of 2/3 of its members.

B. Debt may be incurred by the District, if approved in accordance with the Committee's chosen statutory method.

C. Each Member Town shall pay to the District its proportionate share of capital costs that consist of payments of principal and/or interest on bonds or notes issued by the District in accordance with section V(B) above.

### SECTION VIII: TRANSPORTATION

School transportation to and from school shall be provided by the District to enrolled students PreK–12 to the extent required by law and Committee policy.

### SECTION IX: AMENDMENTS TO 8 TOWN REGIONAL AGREEMENT

A. This Agreement may be amended from time-to-time in the manner hereinafter provided, but no such amendment shall be made that substantially impairs the rights of the holders of any bonds or notes or other indebtedness of the District then outstanding, or the rights of the District to procure the means for payment thereof, provided that nothing in this section shall prevent the admission of a new town or towns to the District and the reapportionment accordingly of that part of the costs of land acquisition and construction represented by bonds or notes of the District

or by bonds or other evidence of indebtedness of the Member Towns that were issued to finance capital expenses in connection with the schools referenced in Section IV hereof then outstanding and of interest thereon.

B. An amendment may be proposed by two-thirds (2/3) vote of the Committee.

A proposal for amendment may also be initiated by a single petition bearing the signatures of at least 10% of registered voters in any one town of the District or 200 registered voters of the District. Said petition shall also contain, at the end thereof, a certification by the town clerk(s) of the respective member town(s) as to the number of signatures on the petition that appear to be names of registered voters from that town; such certification(s) to be prima facie evidence thereof.

Any such proposal for amendment shall be presented to the Secretary of the Committee who shall deliver a notice in writing to the Select Board of each Member Town that a proposal to amend this Agreement has been received and shall enclose a copy of such proposal (without the signatures in the case of a proposal by petition). The Select Board in each Member Town shall include in the warrant for the next Annual or a Special Town Meeting called for the purpose an article that includes the proposed amendment and may also include a summary of its substance. Such amendment shall take effect upon its acceptance by three-quarters (3/4) of the Member Towns by a majority vote at such next Annual or Special Town Meeting, and by the Elementary and Secondary Education Commissioner.

## SECTION X: ADMISSION OF NEW MEMBER TOWNS

A. By an amendment of this Agreement adopted under and in accordance with section IX above, any other town or towns may be admitted to the District upon adoption as therein provided of such amendment and upon acceptance by the town or towns seeking admission of the Agreement, by majority vote of Town Meeting, as so amended and also upon compliance with such provisions of law and regulation as may be applicable and such terms as may be set forth in such amendment.

B. A new Member Town may be admitted to the District as of July 1 of any fiscal year, provided that all requisite approvals for such admission, including the Commissioner's approval, shall be obtained no later than the preceding December 31st.

## SECTION XI: WITHDRAWAL OF MEMBER TOWNS

A. The withdrawal of a Member Town from the District may be effected by an amendment to this Agreement in the manner hereinafter provided by this section. A Member Town seeking to withdraw shall, by vote at an Annual or Special Town Meeting, request the Committee to draw up an amendment to this Agreement setting forth the terms by which such Member Town may withdraw from the District.

B. Obligations of Member Towns

1. If a Member Town votes to withdraw from the District, that Member Town shall remain: (a) liable for any unpaid operating costs that have been certified by the District Treasurer to the Treasurer of that Member Town including the full amount so certified for the year in which such

withdrawal takes effect; (b) liable for its share of the indebtedness, other than temporary debt in anticipation of revenue, of the District outstanding at the time of such withdrawal, and for interest thereon, to the same extent and in the same manner as though the Member Town had not withdrawn from the District, except that such liability shall be reduced by any amount which that Member Town has paid over at the time of withdrawal and that has been applied to the payment of such indebtedness; and (c) liable for other liabilities incurred during all times in which that Member Town was a member of the District (e.g., OPEB for professional and non-professional staff and any local pension obligations). All expenses related to a withdrawal from the District will be borne by the Member Town(s) that initiate(s) a withdrawal from the District. A Member Town that chooses to withdraw from the District shall not be entitled to any pro rata share of any of the assets of the District.

2. Upon a Member Town's withdrawal from the District, monies from that withdrawing Member Town for future payments of funded indebtedness, interest thereon, and/or any other liabilities (e.g., OPEB), shall be used only for such purpose and until so used shall be deposited in a trust specifically named for such purpose.

C. The Clerk of the Member Town seeking to withdraw shall notify the Committee in writing that such Town has voted to request the Committee to draw up an amendment to the Agreement (enclosing a certified copy of such vote). Thereupon, the Committee shall draw up an amendment to the Agreement setting forth such terms of withdrawal as it deems advisable. The Secretary of the Committee shall deliver a notice in writing to the Select Board of all Member Towns that the Committee has drawn up an amendment to the Agreement providing for the withdrawal of a Member Town (enclosing a copy of such amendment). The Select Board of each of the Member Towns shall cause to be presented for determination by vote at the next Annual or a Special Town Meeting called for the purpose the question of accepting the proposal. The article in the warrant for such Annual or Special Town Meeting and the question on the official ballot to be used at such meeting shall include the proposal.

D. The withdrawing Member Town's annual share of any future installment of principal and interest on obligations outstanding on the effective date of its withdrawal shall be fixed at the percentage prevailing for such Member Town at the last annual apportionment made next prior to the effective date of the withdrawal.

E. A request to withdraw shall become effective only if the amendment to the Agreement is approved by a two-thirds (2/3) vote of the Committee, is approved by majority vote at an Annual or Special Town Meeting in three-fourths (3/4) of the Member Towns, is approved by the Commissioner, and can only become effective on the second July 1 after the completion of these requirements.

F. In the event of the withdrawal of a Member Town from the District, any leases (authorized by section IV(B) of the Agreement) of buildings, facilities, or grounds in the withdrawing Town, including any lease entered into subsequent to the acceptance of this Agreement, shall be terminated on the effective date of such withdrawal.

G. Upon the effective date of withdrawal, the terms of office of the Committee members of the withdrawing Member Town shall terminate.

## SECTION XII: ANNUAL REPORT

The Committee shall submit an annual report to each of the Member Towns, containing a detailed financial statement and a statement showing the method by which the annual charges assessed against each Member Town were computed, together with such additional information relating to the operation and maintenance of the District schools as may be deemed necessary by the Select Board of any Member Town or by the Committee.

## SECTION XIII: REVIEW OF 8 TOWN REGIONAL AGREEMENT

Recognizing that over time circumstances often change and intending that this Agreement should continue to serve the best interests of the Member Towns, the Committee shall, at five-year intervals, review the need to establish an ad hoc study group composed of knowledgeable persons to study this Agreement and report to the Committee as to whether or not any changes to this Agreement might be beneficial, in light of the then-prevailing conditions. The Committee shall give any such ad hoc study group's report due consideration but may exercise its discretion as to whether or not it will implement any of the group's recommendations.

## SECTION XIV: TRANSITION PERIOD

As part of the approval of this Agreement, the Member Towns will be taken to have approved a transition period consistent with 603 CMR 41 or, as applicable, a waiver of such regulation, or special legislation, which, if approved by the Commissioner, will extend from the appointment of the Appointed Transition Committee (as defined below) through midnight of the day preceding the Operational Date. (the “**Transition Period**”).

During the Transition Period, the BHRSD school committee and the SBRSD school committee shall continue to oversee and operate the schools in their respective districts, subject to the restrictions set forth the below. The Appointed Transition Committee and then the Elected Transition Committee (as defined below, the Appointed Transition Committee and the Elected Transition Committee hereinafter referred to collectively as the “**Transition Committee**”) shall have non-operating status during this period, with the power to hire staff, enter into contracts, and take such other actions as necessary to prepare for an orderly transition. At the end of the Transition Period, responsibility for the oversight and operation of the schools shall transfer to the District Committee.

### A. Duties of the BHRSD School Committee and the SBRSD School Committees during the Transition Period

During the Transition Period the BHRSD school committee and the SBRSD school committee (the “**Existing Committees**”) will each continue in existence and will continue to operate their respective districts; *provided, however*, neither of the Existing Committees shall make any decisions likely to have a material impact on the new District without the review and approval of the Transition Committee as provided below.

### B. Transitional District School Committee

During the Transition Period, an appointed transitional regional district school committee (the “**Appointed Transition Committee**”) will be formed to exercise the powers provided below

until the next biennial election, at which point an elected transitional regional district school committee (the “**Elected Transition Committee**”) will be elected and seated, which Elected Transition Committee will thereafter exercise all powers provided hereunder for the remainder of the Transition Period. At the end of the Transition Period, the Elected Transition Committee shall automatically become the permanent Committee.

The Appointed Transition Committee and the Elected Transition Committee, as the case may be, shall possess all powers necessary for the planning and operation of the District (subject to the availability of funds necessary for the exercise of such powers), including but not limited to, the following:

1. The power to receive funds from the Commonwealth as well as appropriations, grants, and gifts from other sources.
2. The power to establish and adopt policies for the District.
3. The power to employ for the District a superintendent, treasurer, chief financial officer, and director of special education, as well as the power to authorize the superintendent to employ other personnel for the District.
4. The power to contract for and/or purchase goods and services, as well as the power to enter into leases and other agreements with the Member Towns, collaboratives, vendors, and other agencies and parties, with all of these powers being able to be exercised on behalf of the District.
5. The power to adopt budgets for the District for the Transition Period and for the first year of the District, and to assess the Member Towns for these budgets.
6. The power to negotiate and to enter into collective bargaining agreements, which will take effect no sooner than the Operational Date (as defined below) of the District.
7. The power to appoint a District School Building Committee.
8. The power to develop and adopt a strategic plan for the district.
9. The power to appoint subcommittees.

Notwithstanding anything to the contrary above, prior to approval by the Member Towns of the New High School Debt in accordance with section VII, the Transition Committee shall ensure that all contractual or other obligations include a Debt Approval Contingency (as defined in section XV(C) below) such that the District would have no future obligations in the event the Debt Approval Contingency is not satisfied.

#### C. Composition of Transition Committee

The Transition Committee shall be comprised of 11 members according to the school committee member composition for the Committee provided in section IIA above. The Appointed Transition Committee shall be appointed by a majority of the Select Board and the respective resident school committee members on the Existing Committees in each Member Town within thirty (30) days of approval by the Commissioner.

#### D. Relationship Between the Transition Committee and the Existing Committees

During the Transition Period, the Existing Committees shall not make decisions that will financially obligate or legally encumber the District without prior review and ratification by the Transition Committee. In addition, the Existing Committees will comply with the following during the Transition Period:

1. No building projects will be undertaken, and no building closures will occur unless ratified by the Transition Committee.
2. Program offerings will remain substantially the same.
3. No school choice openings will be filled except with the approval of the Transition Committee.
4. The school administration of the BHRSD and SBRSD districts will fully cooperate with the Transition Committee (and/or its designees) in sharing information and in the transfer of control of district operations.

#### E. Cessation of Operations of the Transition Committee

The Elected Transition Committee shall operate until midnight on June 30, 2026 (or June 30, 2025, as applicable in accordance with section XV(B)(5)), at which time the Elected Transition Committee shall become the Committee. The Committee will be deemed to be the legal successor to the Transition Committee for purposes of all contracts, collective bargaining agreements, other agreements, and leases that have been entered into by the Transition Committee.

#### F. Terms for Elected Transition Committee

For the purpose of staggering terms, the following will apply to the election of the Elected Transition Committee during the first biennial election cycle (expected, November 2024).

1. Great Barrington-resident representatives. The elected representatives with the first and second highest district-wide votes will have four-year terms. The elected representative with the third highest district-wide votes will have a two-year term.
2. Sheffield-resident representatives. The elected representative with the highest district-wide votes will have a four-year term. The elected representative with the second-highest votes will have a two-year term.
3. Stockbridge-, West Stockbridge-, New Marlborough-, Alford-, Monterey-, and Egremont-resident representatives. The elected representatives resident in Stockbridge, West Stockbridge, New Marlborough, Alford, Monterey and Egremont with the three highest district-wide votes will have four-year terms; the remaining elected representatives will have initial two-year terms.

## SECTION XV: EFFECTIVE DATE AND OPERATIONAL DATE; NEW HIGH SCHOOL DEBT APPROVAL CONTINGENCY; SPECIAL LEGISLATION

### A. Effective Date of Agreement

This Agreement shall take effect upon approval by a majority of voters of the Towns of Alford, Egremont, Great Barrington, Monterey, New Marlborough, Sheffield, Stockbridge, and West Stockbridge at Town Meetings held in each Town, and approval by the Commissioner.

### B. Duration of the Transition Period

The Transition Period shall commence on the date of appointment of the Appointed Transition Committee through midnight June 30, 2026, when the Transition Period will end, the Existing District Agreements shall terminate, the BHRSD and SBRSD shall dissolve and the District shall become fully operational (the “**Operational Date**”); provided, however, that if the District is not permitted under then applicable law or regulations to have a Transition Period that extends beyond June 30, 2025, the Transition Period will end at midnight June 30, 2025. As of the Operational Date, the District shall assume and the BHRSD and SBRSD shall assign to the District all assets and liabilities (including, without limitation, all contractual rights and obligations, to the extent assignable), and all OPEB and any local pension obligations of the BHRSD and SBRSD.

### C. Debt Approval Contingency

During the Transition Period, the Transition Committee and the Member Towns shall vote to approve the debt for the New High School in accordance with the terms of this Agreement and the MSBA rules and regulations. Should the Member Towns fail to approve the debt for the New High School by June 30, 2025 (or, if the Transition Period is not permitted to extend beyond June 30, 2025, by January 1, 2025) (the “**Debt Approval Contingency**”), the Transition Period shall end, this Agreement shall terminate, the District shall dissolve, and the Existing Districts shall continue in existence.

### D. Special Legislation

The District shall not become operational until special legislation has been enacted that authorizes the transfer of the school buildings and property from the BHRSD and the SBRSD to the District as of the Operational Date (the “**Special Legislation**”). Should such Special Legislation not be enacted prior to the vote to approve the debt for the New High School, the Transition Period shall end, this Agreement shall terminate, the District shall dissolve and the Existing Districts shall continue in existence.

## SECTION XVI: DEFINITIONS

**Amount Above Required Local Contribution** means each Member Town’s share of the Aggregate Amount Above Required Local Contribution.

**Appointed Transition Committee** means the appointed transitional District Committee.

**Aggregate Amount Above Required Local Contribution** means the operating budget of the District less Chapter 70 state aid, the sum of the Required Local Contributions of each Member Town and all other general revenue sources.

**Agreement** means the Southern Berkshire Hills Regional School District regional agreement.

**Base Aid** means base aid received from the Massachusetts State Building Authority (“MSBA”) to construct the New High School.

**Below the Cap Towns** means the Member Towns below the Capped Percentage Increase in a given year.

**BESE** means the Board of Elementary and Secondary Education.

**BHRSD** means the Berkshire Hills Regional School District.

**BHRSD NHS Apportioned Share** means 90.0% of the total cost of the New High School apportioned to the BHRSD Towns.

**BHRSD NHS Net Apportioned Share** means the BHRSD NHS Apportioned Share less Base Aid.

**BHRSD Towns’ Annual NHS Debt Liability** means the debt service cost attributable to the BHRSD NHS Net Apportioned Share.

**BHRSD TOB Net Apportioned Share** means, after all state or other aid is applied, 10.0% of the total net cost of the TOB Improvements.

**BHRSD Towns’ TOB Annual Debt Liability** means the debt service cost attributable to the BHRSD TOB Net Apportioned Share.

**BHRSD Towns** means the towns of Great Barrington, Stockbridge, and West Stockbridge.

**Capped Percentage Increase** means the District Annual Assessment Percentage Increase plus two percent (2%).

**Capital Costs** means all expenditures relating to capital outlay, such as payment of the principal of and interest on bonds or other obligations issued by the District (or predecessor districts) to finance capital costs, and any other expenses associated with the acquisition of real estate, construction and improvement of buildings, grading, purchase of equipment, and other activities incidental to any subsequent additions and improvements thereto.

**Committee** means the school committee of the District.

**Debt Approval Contingency** has the meaning set forth in Section XV(C).

**District** means the Southern Berkshire Hills Regional School District.

**District Annual Assessment Percentage Increase** means the percentage increase in the aggregate of Total OTN Town Assessments for the District in any given year.

**Elected Transition Committee** means the elected transitional District Committee.

**EQV** means equalized property value as determined by the Commonwealth in accordance with G.L. c. 58 § 9 *et seq.*

**Existing Committees** means the BHRSD School Committee and the SBRSD School Committee.

**Leased Premises** means any lease by the District of a school building and its associated land.

**Leasehold Improvements** means any improvement, alternation, remodeling or modernizing of the Leased Premises.

**Member Towns** mean the towns of Alford, Egremont, Great Barrington, Monterey, New Marlborough, Sheffield, Stockbridge, and West Stockbridge, each individually a **Member Town**.

**Minimum OTN Town Assessment** means the Required Local Contribution plus the Transportation Costs assessment plus the Non-Debt Capital Costs assessment for a Member Town in any given year.

**MSBA** means the Massachusetts State Building Authority.

**New High School** or **NHS** means the high school for the new District to be built on the campus of the current high school of the BHRSD for the students of the eight Member Towns.

**New High School Debt** means the debt incurred in connection with the construction of the New High School.

**Non-Debt Capital Costs** means all Capital Costs not financed by debt.

**Operational Date** means the date when the Transition Period ends, the Existing District Agreements terminate, the BHRSD and SBRSD dissolve and the District becomes fully operational.

**Operating Costs** means all costs other than transportation and capital costs, such as salaries, wages, supplies, texts, repair and maintenance expenditures, interest on notes issued in anticipation of revenue and other costs incurred in the day-to-day operation of the District.

**Proposed School Closing** means any proposal to close an existing school.

**Regional Incentive Aid** means regional incentive aid received from the MSBA to construct the New High School.

**Reorganization Meeting** means the first Committee meeting following a district-wide election and qualification of successors.

**Required Local Contribution** has the meaning provided under G.L. c. 70, § 2. (For the avoidance of doubt, the Required Local Contribution as used herein shall mean only such Required Local Contribution as a Member Town is required to make to the District.)

**Required District Contribution** means the sum of the 8 Member Towns' Required Local Contributions.

**Rolling Average Applicable Percentage** means the percentage share that such Member Town's five-year rolling average Required Local Contribution bears to the District's five-year rolling average Required District Contribution (i.e., an individual Member Town's five-year rolling average Required Local Contribution divided by the total of all Member Towns' five-year rolling average Required District Contribution, expressed as a percentage).

**School Personal Property** means all personal property and removable fixtures of a school.

**SBRSD** means the Southern Berkshire Regional School District.

**SBRSD Towns** means the towns of Alford, Egremont, New Marlborough, Monterey, and Sheffield.

**SBRSD Legacy Debt** means capital debt incurred by the SBRSD prior to the formation of the District.

**SBRSD NHS Apportioned Share** means 10.0% of the total cost of the New High School apportioned to the SBRSD Towns.

**SBRSD NHS Net Apportioned Share** means the SBRSD NHS Apportioned Share less Regional Aid.

**SBRSD Towns' Annual NHS Debt Liability** means the debt service cost attributable to the SBRSD NHS Net Apportioned Share.

**SBRSD TOB Net Apportioned Share** means, after all state or other aid is applied, 90.0% of the total net cost of the TOB Improvements

**SBRSD Towns' TOB Annual Liability** means the debt service cost attributable to the SBRSD TOB Net Apportioned Share.

**Total OTN Town Assessment** means the total of Operating Costs assessment, Transportation Costs assessment and Non-Debt Capital Costs assessment for a Member Town in any given year.

**Town-Owned Building(s) or TOB** has the meaning set forth in section IV(D) above.

**TOB Improvements** means improvements to Town-Owned Buildings.

**TOB Debt** means any debt incurred by the District to improve one or more TOB.

**Transition Committee** means the Appointed Transition Committee and the Elected Transition Committee.

**Transition Period** has the meaning set forth in Section XIV.

**Transportation Costs** means all costs related to the transportation of all resident students who are transported by the District to and from school.

IN WITNESS WHEREOF, this Agreement has been executed as of the last date executed below.

Town of  
Alford: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_  
(typed name) ( Select Board Chair)

Town of  
Egremont: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_  
(typed name) ( Select Board Chair)

Town of  
Great Barrington: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_  
(typed name) ( Select Board Chair)

Town of  
Monterey: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_  
(typed name) ( Select Board Chair)

Town of  
New Marlborough: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_  
(typed name) ( Select Board Chair)

Town of  
Sheffield: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_  
(typed name) ( Select Board Chair)

Town of  
Stockbridge: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_  
(typed name) ( Select Board Chair)

Town of  
West Stockbridge: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_  
(typed name) ( Select Board Chair)

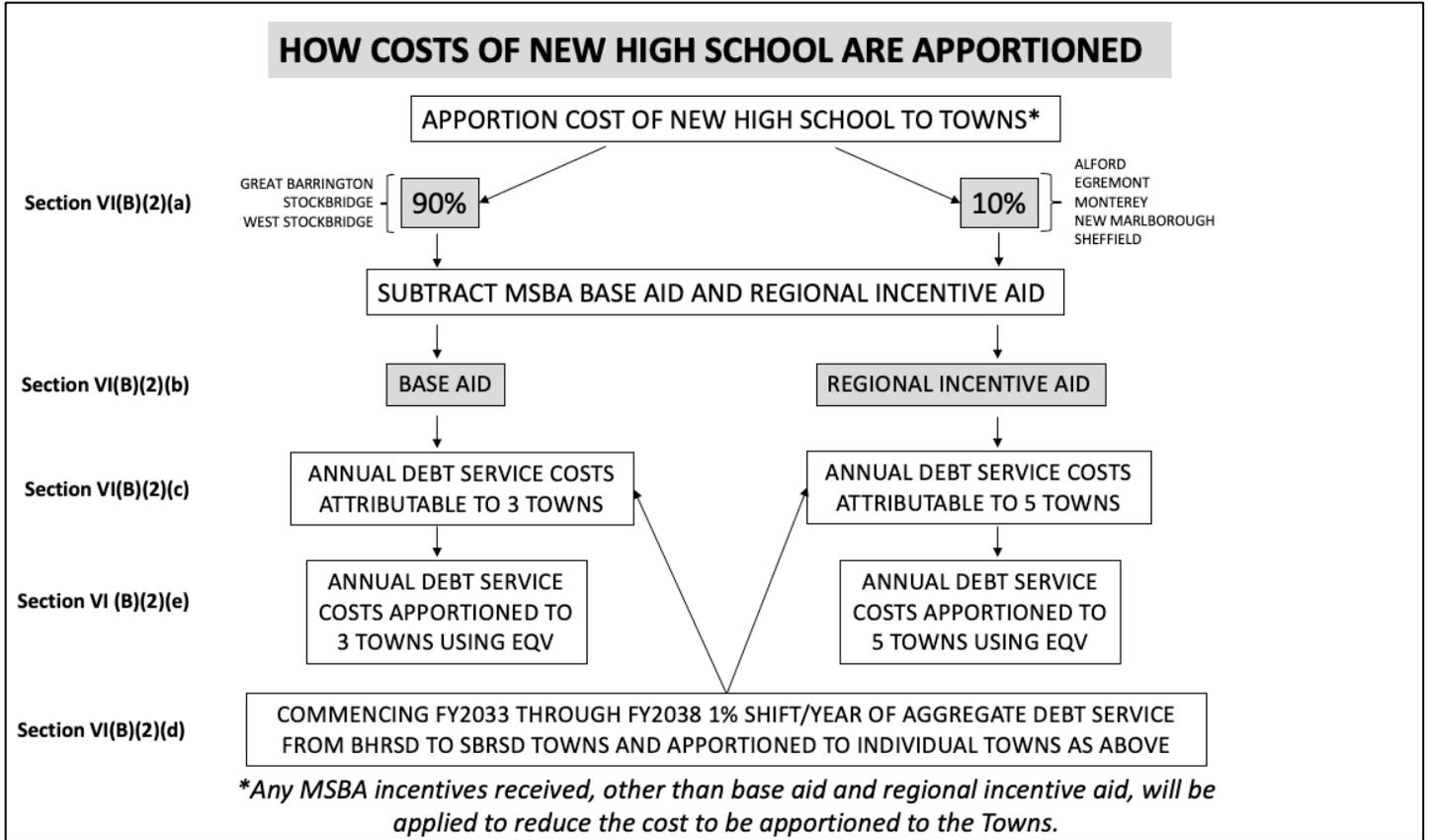
Commissioner of the Department of Elementary and Secondary Education:

\_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_  
(typed name)

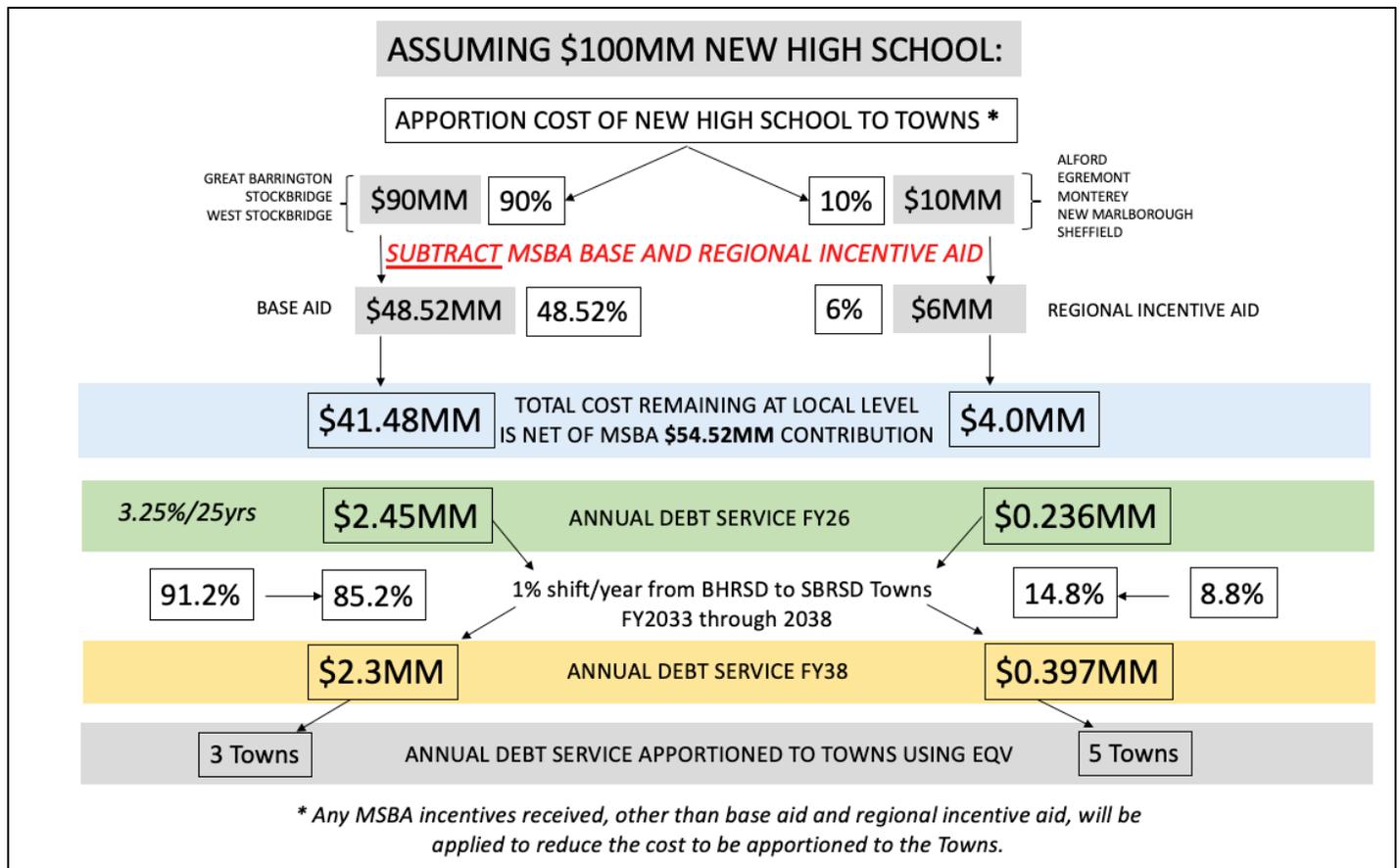
## Appendix A

### Illustrations of Capital Cost Apportionment Methodology for New High School



Below is an example of how to apply the apportionment methodology using the following assumed values:

- New High School cost of \$100MM
- 25-year debt service at 3.25% interest rate
- First payment is assumed for FY2026
- MSBA Base Aid of 48.52%, Regional Incentive Aid of 6%, and no additional MSBA aid
- EQV projections for future years is based on multi-year average changes over recent years



## Appendix B

### Illustration of Operating, Transportation and Non-Debt Capital Costs Assessment Methodology

**[THESE NUMBERS ARE ILLUSTRATIVE ONLY AND ARE USED ONLY TO  
DEMONSTRATE HOW THE METHODOLOGIES WORK; THEY DO NOT  
REPRESENT ACTUAL ASSESSMENTS FOR ANY MEMBER TOWN.]**

This table illustrates application of methodology for (i) apportionment of Operating Costs, Transportation Costs and Non-Debt Capital Costs, (ii) calculation of preliminary Total OTN Town Assessment, (iii) application of the Capped Percentage Increase to the preliminary Total OTN Town Assessment, and (iv) method for making any additional adjustments necessary to ensure all towns are at or under the Minimum OTN Town Assessment.

Compile each Member Town's Required Local Contribution:  
This information is determined by DESE annually.

Town A	\$ 400,000
Town B	\$ 1,120,000
Town C	\$ 1,220,000
Town D	\$ 1,360,000
Town E	\$ 1,340,000
Town F	\$ 1,420,000
Town G	\$ 4,340,000
Town H	\$ 8,800,000
<b>Total Required Local Contributions</b>	<b>\$ 20,000,000</b>

Compute each Member Town's Rolling Average Applicable Percentage:  
Determined by taking each Member Town's five-year rolling average of Required Local Contributions as compared to the total Required Local Contributions.

	Required Local Contributions					Rolling Average	
	4 Years Prior	3 Years Prior	2 Years Prior	1 Year Prior	Current Year	5-Year Avg.	Applicable %
Town A	\$ 290,000	\$ 310,000	\$ 320,000	\$ 340,000	\$ 400,000	\$ 332,000	1.8%
Town B	\$ 870,000	\$ 920,000	\$ 970,000	\$ 1,030,000	\$ 1,120,000	\$ 982,000	5.5%
Town C	\$ 1,010,000	\$ 1,070,000	\$ 1,130,000	\$ 1,200,000	\$ 1,220,000	\$ 1,126,000	6.3%
Town D	\$ 1,120,000	\$ 1,190,000	\$ 1,260,000	\$ 1,330,000	\$ 1,360,000	\$ 1,252,000	7.0%
Town E	\$ 1,040,000	\$ 1,110,000	\$ 1,170,000	\$ 1,240,000	\$ 1,340,000	\$ 1,180,000	6.6%
Town F	\$ 1,100,000	\$ 1,170,000	\$ 1,240,000	\$ 1,310,000	\$ 1,420,000	\$ 1,248,000	6.9%
Town G	\$ 3,500,000	\$ 3,720,000	\$ 3,940,000	\$ 4,150,000	\$ 4,340,000	\$ 3,930,000	21.8%
Town H	\$ 7,070,000	\$ 7,510,000	\$ 7,970,000	\$ 8,400,000	\$ 8,800,000	\$ 7,950,000	44.2%
<b>Totals</b>	<b>\$ 16,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 18,000,000</b>	<b>\$ 19,000,000</b>	<b>\$ 20,000,000</b>	<b>\$ 18,000,000</b>	<b>100.0%</b>

To determine the **Aggregate Amount Above Required Local Contribution:**  
(as described in the Regional Agreement)

Operating Budget *	\$ 45,000,000
(less Chapter 70 aid)	\$ (5,000,000)
(less Total Required Local Contributions)	\$ (20,000,000)
(less other general revenues sources)	\$ (4,000,000)
<b>Aggregate Amount Above Required Local Contribution</b>	<b>\$ 16,000,000</b>

\* Operating Budget does not include transportation and non-debt capital costs.

Determine budgeted <b>Transportation Costs:</b>	\$ 4,500,000
Determine budgeted <b>Non-Debt Capital Costs:</b>	\$ 500,000

Determine **Aggregate of Total OTN Town Assessments:** \$ 41,000,000

The **Aggregate of Total OTN Town Assessments** is the sum of the **Total Required Local Contributions**, the **Aggregate Amount Above Required Local Contribution**, **Transportation Costs**, and **Non-Debt Capital Costs**.

Compute **Capped Percentage Increase:**

Determined by calculating the percentage increase in the **Aggregate of Total OTN Town Assessments**, plus 2.0%.

Aggregate of Total OTN Town Assessments Current Year	\$ 41,000,000
Aggregate of Total OTN Town Assessments Prior Year	\$ 39,500,000
Difference in \$	\$ 1,500,000
Difference in %	3.8%
 Add in 2.0%	 2.0%
 <b>Total Capped Percentage Increase</b>	 <b>5.8%</b>

Compute each Member Town's **Amount Above the Required Local Contribution:**

Determined by taking each Member Town's Rolling Average Applicable Percentage share of the **Aggregate Amount Above Required Local Contribution**.

**Aggregate Amount Above Required Local Contribution** \$ 16,000,000

	Rolling Average Applicable %	Amount Above Req Local Cont
Town A	1.8%	\$ 295,111
Town B	5.5%	\$ 872,889
Town C	6.3%	\$ 1,000,889
Town D	7.0%	\$ 1,112,889
Town E	6.6%	\$ 1,048,889
Town F	6.9%	\$ 1,109,333
Town G	21.8%	\$ 3,493,333
Town H	44.2%	\$ 7,066,667
<b>Totals</b>	<b>100.0%</b>	<b>\$ 16,000,000</b>

Compute each Member Town's **Transportation Assessment:**

Determined by taking each Member Town's Rolling Average Applicable Percentage share of the **Transportation Costs**.

**Transportation Costs** \$ 4,500,000

	Rolling Average Applicable %	Transportation Assessment
Town A	1.8%	\$ 83,000
Town B	5.5%	\$ 245,500
Town C	6.3%	\$ 281,500
Town D	7.0%	\$ 313,000
Town E	6.6%	\$ 295,000
Town F	6.9%	\$ 312,000
Town G	21.8%	\$ 982,500
Town H	44.2%	\$ 1,987,500
<b>Totals</b>	<b>100.0%</b>	<b>\$ 4,500,000</b>

Compute each Member Town's Non-Debt Capital Assessment:

Determined by taking each Member Town's Rolling Average Applicable Percentage share of the Non-Debt Capital Costs.

Non-Debt Capital Costs	\$ 500,000	
	Rolling Average Applicable %	Non-Debt Capital Assessment
Town A	1.8%	\$ 9,222
Town B	5.5%	\$ 27,278
Town C	6.3%	\$ 31,278
Town D	7.0%	\$ 34,778
Town E	6.6%	\$ 32,778
Town F	6.9%	\$ 34,667
Town G	21.8%	\$ 109,167
Town H	44.2%	\$ 220,833
<b>Totals</b>	<b>100.0%</b>	<b>\$ 500,000</b>

Compute each Member Town's preliminary Total OTN Town Assessment:

Determined by totaling each Member Town's Required Local Contribution, Amount Above Required Local Contribution, Transportation Assessment, and Non-Debt Capital Assessment.

	Required Local Contribution	Amount Above Req Local Cont	Transportation Assessment	Non-Debt Capital Assessment	Prelim Total OTN Town Asmnt
Town A	\$ 400,000	\$ 295,111	\$ 83,000	\$ 9,222	\$ 787,333
Town B	\$ 1,120,000	\$ 872,889	\$ 245,500	\$ 27,278	\$ 2,265,667
Town C	\$ 1,220,000	\$ 1,000,889	\$ 281,500	\$ 31,278	\$ 2,533,667
Town D	\$ 1,360,000	\$ 1,112,889	\$ 313,000	\$ 34,778	\$ 2,820,667
Town E	\$ 1,340,000	\$ 1,048,889	\$ 295,000	\$ 32,778	\$ 2,716,667
Town F	\$ 1,420,000	\$ 1,109,333	\$ 312,000	\$ 34,667	\$ 2,876,000
Town G	\$ 4,340,000	\$ 3,493,333	\$ 982,500	\$ 109,167	\$ 8,925,000
Town H	\$ 8,800,000	\$ 7,066,667	\$ 1,987,500	\$ 220,833	\$ 18,075,000
<b>Totals</b>	<b>\$ 20,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ 4,500,000</b>	<b>\$ 500,000</b>	<b>\$ 41,000,000</b>

Determine which Member Towns, if any, are above the Capped Percentage Increase:

Determined by comparing each Member Town's preliminary Total OTN Town Assessment for the current year to its Total OTN Town Assessment the prior year.

	Total OTN Town Assessments				
	Current Year	Prior Year	Difference \$	Difference %	Excess Amount
Town A	\$ 787,333	\$ 750,000	\$ 37,333	5.0%	
Town B	\$ 2,265,667	\$ 2,170,000	\$ 95,667	4.4%	
Town C	\$ 2,533,667	\$ 2,370,000	\$ 163,667	6.9%	\$ 26,207
Town D	\$ 2,820,667	\$ 2,780,000	\$ 40,667	1.5%	
Town E	\$ 2,716,667	\$ 2,540,000	\$ 176,667	7.0%	\$ 29,347
Town F	\$ 2,876,000	\$ 2,690,000	\$ 186,000	6.9%	\$ 29,980
Town G	\$ 8,925,000	\$ 8,800,000	\$ 125,000	1.4%	
Town H	\$ 18,075,000	\$ 17,400,000	\$ 675,000	3.9%	
<b>Totals</b>	<b>\$ 41,000,000</b>	<b>\$ 39,500,000</b>	<b>\$ 1,500,000</b>	<b>3.8%</b>	<b>\$ 85,533</b>

Town C, Town E, and Town F are above the Capped Percentage Increase of 5.8% by a combined amount of: \$ 85,533

Determine the amounts of the excess to allocate to Member Towns below the Capped Percentage Increase:

Determined by calculating updated Rolling Average Applicable Percentages for the Below the Cap Towns only.

	Rolling Average		Excess Amount
	5-Year Avg.	Applicable %	
Town A	\$ 332,000	2.3%	\$ 1,966
Town B	\$ 982,000	6.8%	\$ 5,814
Town C			
Town D	\$ 1,252,000	8.7%	\$ 7,413
Town E			
Town F			
Town G	\$ 3,930,000	27.2%	\$ 23,269
Town H	\$ 7,950,000	55.0%	\$ 47,071
<b>Totals</b>	<b>\$ 14,446,000</b>	<b>100.0%</b>	<b>\$ 85,533</b>

**Update each Member Town's Amount Above the Required Local Contribution:**

Determined by adjusting each Member Town's Amount Above the Required Local Contribution based on the redistribution of excess determined above.

	Amount Above Req Local Cont	Adjustment	Updated Amount Above Req Local Cont
Town A	\$ 295,111	\$ 1,966	\$ 297,077
Town B	\$ 872,889	\$ 5,814	\$ 878,703
Town C	\$ 1,000,889	\$ (26,207)	\$ 974,682
Town D	\$ 1,112,889	\$ 7,413	\$ 1,120,302
Town E	\$ 1,048,889	\$ (29,347)	\$ 1,019,542
Town F	\$ 1,109,333	\$ (29,980)	\$ 1,079,353
Town G	\$ 3,493,333	\$ 23,269	\$ 3,516,602
Town H	\$ 7,066,667	\$ 47,071	\$ 7,113,738
<b>Totals</b>	<b>\$ 16,000,000</b>	<b>\$ -</b>	<b>\$ 16,000,000</b>

**Compute each Member Town's Updated Total OTN Town Assessment:**

Determined by totaling each Member Town's Required Local Contribution, Amount Above Required Local Contribution, Transportation Assessment, and Non-Debt Capital Assessment. The Amount Above Required Local Contribution here is the updated one.

	Required Local Contribution	Updated Amount Above Req Local Cont	Transportation Assessment	Non-Debt Capital Assessment	Updated Total OTN Town Asmnt
Town A	\$ 400,000	\$ 297,077	\$ 83,000	\$ 9,222	\$ 789,299
Town B	\$ 1,120,000	\$ 878,703	\$ 245,500	\$ 27,278	\$ 2,271,481
Town C	\$ 1,220,000	\$ 974,682	\$ 281,500	\$ 31,278	\$ 2,507,460
Town D	\$ 1,360,000	\$ 1,120,302	\$ 313,000	\$ 34,778	\$ 2,828,080
Town E	\$ 1,340,000	\$ 1,019,542	\$ 295,000	\$ 32,778	\$ 2,687,320
Town F	\$ 1,420,000	\$ 1,079,353	\$ 312,000	\$ 34,667	\$ 2,846,020
Town G	\$ 4,340,000	\$ 3,516,602	\$ 982,500	\$ 109,167	\$ 8,948,269
Town H	\$ 8,800,000	\$ 7,113,738	\$ 1,987,500	\$ 220,833	\$ 18,122,071
<b>Totals</b>	<b>\$ 20,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ 4,500,000</b>	<b>\$ 500,000</b>	<b>\$ 41,000,000</b>

**Determine which Member Towns, if any, are above the Capped Percentage Increase:**

Determined by comparing each Member Town's updated Total OTN Town Assessment for the current year to its Total OTN Town Assessment the prior year.

	Total OTN Town Assessments			
	Current Year	Prior Year	Difference \$	Difference %
Town A	\$ 789,299	\$ 750,000	\$ 39,299	5.2%
Town B	\$ 2,271,481	\$ 2,170,000	\$ 101,481	4.7%
Town C	\$ 2,507,460	\$ 2,370,000	\$ 137,460	5.8%
Town D	\$ 2,828,080	\$ 2,780,000	\$ 48,080	1.7%
Town E	\$ 2,687,320	\$ 2,540,000	\$ 147,320	5.8%
Town F	\$ 2,846,020	\$ 2,690,000	\$ 156,020	5.8%
Town G	\$ 8,948,269	\$ 8,800,000	\$ 148,269	1.7%
Town H	\$ 18,122,071	\$ 17,400,000	\$ 722,071	4.2%
<b>Totals</b>	<b>\$ 41,000,000</b>	<b>\$ 39,500,000</b>	<b>\$ 1,500,000</b>	<b>3.8%</b>

Since each of the Member Towns' updated Total OTN Town Assessment increase is less than or equal to the Capped Percentage Increase of 5.8%, the updated Total OTN Town Assessments are the current year's Total OTN Town Assessments to use.

**Compute each Member Town's Minimum OTN Town Assessment:**

Determined by totaling each Member Town's Required Local Contribution, Transportation Assessment, and Non-Debt Capital Assessment.

	Required Local Contribution	Transportation Assessment	Non-Debt Capital Assessment	Minimum OTN Town Asmnt
Town A	\$ 400,000	\$ 83,000	\$ 9,222	\$ 492,222
Town B	\$ 1,120,000	\$ 245,500	\$ 27,278	\$ 1,392,778
Town C	\$ 1,220,000	\$ 281,500	\$ 31,278	\$ 1,532,778
Town D	\$ 1,360,000	\$ 313,000	\$ 34,778	\$ 1,707,778
Town E	\$ 1,340,000	\$ 295,000	\$ 32,778	\$ 1,667,778
Town F	\$ 1,420,000	\$ 312,000	\$ 34,667	\$ 1,766,667
Town G	\$ 4,340,000	\$ 982,500	\$ 109,167	\$ 5,431,667
Town H	\$ 8,800,000	\$ 1,987,500	\$ 220,833	\$ 11,008,333
<b>Totals</b>	<b>\$ 20,000,000</b>	<b>\$ 4,500,000</b>	<b>\$ 500,000</b>	<b>\$ 25,000,000</b>

Determine which Member Towns' Total OTN Town Assessment, if any, are below the Minimum OTN Town Assessment:

	<b>Total OTN Town Asmnt</b>	<b>Minimum OTN Town Asmnt</b>	<b>Difference \$</b>
Town A	\$ 789,299	\$ 492,222	\$ 297,077
Town B	\$ 2,271,481	\$ 1,392,778	\$ 878,703
Town C	\$ 2,507,460	\$ 1,532,778	\$ 974,682
Town D	\$ 2,828,080	\$ 1,707,778	\$ 1,120,302
Town E	\$ 2,687,320	\$ 1,667,778	\$ 1,019,542
Town F	\$ 2,846,020	\$ 1,766,667	\$ 1,079,353
Town G	\$ 8,948,269	\$ 5,431,667	\$ 3,516,602
Town H	\$ 18,122,071	\$ 11,008,333	\$ 7,113,738
<b>Totals</b>	<b>\$ 41,000,000</b>	<b>\$ 25,000,000</b>	<b>\$ 16,000,000</b>

Since each of the Member Towns' Total OTN Town Assessment is greater than or equal to the Minimum OTN Town Assessment, the Total OTN Town Assessments are the current year's Total OTN Town Assessments to use.

## Example of Total OTN Town Assessment Methodology for District (Illustration B)

This illustration contains:

- Determining each town's Preliminary Total OTN Town Assessment
- Adjustments to towns' Total OTN Town Assessment to ensure all towns are at or under the Capped Percentage Increase
- Adjustments to towns' Total OTN Town Assessment to ensure all towns' Total OTN Town Assessment are equal or greater than their Minimum OTN Town Assessment

Compile each Member Town's Required Local Contribution:

This information is determined by DESE annually.

Town A	\$	350,000
Town B	\$	900,000
Town C	\$	1,000,000
Town D	\$	1,200,000
Town E	\$	1,500,000
Town F	\$	3,500,000
Town G	\$	4,000,000
Town H	\$	7,550,000
<b>Total Required Local Contributions</b>	<b>\$</b>	<b>20,000,000</b>

Compute each Member Town's Rolling Average Applicable Percentage:

Determined by taking each Member Town's five-year rolling average of Required Local Contributions as compared to the total Required Local Contributions.

	Required Local Contributions					Rolling Average	
	4 Years Prior	3 Years Prior	2 Years Prior	1 Year Prior	Current Year	5-Year Avg.	Applicable %
Town A	\$ 290,000	\$ 310,000	\$ 320,000	\$ 340,000	\$ 350,000	\$ 322,000	1.8%
Town B	\$ 870,000	\$ 920,000	\$ 970,000	\$ 1,030,000	\$ 900,000	\$ 938,000	5.2%
Town C	\$ 1,010,000	\$ 1,070,000	\$ 1,130,000	\$ 1,200,000	\$ 1,000,000	\$ 1,082,000	6.0%
Town D	\$ 1,120,000	\$ 1,190,000	\$ 1,260,000	\$ 1,330,000	\$ 1,200,000	\$ 1,220,000	6.8%
Town E	\$ 1,040,000	\$ 1,110,000	\$ 1,170,000	\$ 1,240,000	\$ 1,500,000	\$ 1,212,000	6.7%
Town F	\$ 1,100,000	\$ 1,170,000	\$ 1,240,000	\$ 1,310,000	\$ 3,500,000	\$ 1,664,000	9.2%
Town G	\$ 3,500,000	\$ 3,720,000	\$ 3,940,000	\$ 4,150,000	\$ 4,000,000	\$ 3,862,000	21.5%
Town H	\$ 7,070,000	\$ 7,510,000	\$ 7,970,000	\$ 8,400,000	\$ 7,550,000	\$ 7,700,000	42.8%
<b>Totals</b>	<b>\$ 16,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 18,000,000</b>	<b>\$ 19,000,000</b>	<b>\$ 20,000,000</b>	<b>\$ 18,000,000</b>	<b>100.0%</b>

To determine the Aggregate Amount Above Required Local Contribution:

(as described in the Regional Agreement)

Operating Budget *	\$	45,000,000
(less Chapter 70 aid)	\$	(5,000,000)
(less Total Required Local Contributions)	\$	(20,000,000)
(less other general revenues sources)	\$	(4,000,000)
<b>Aggregate Amount Above Required Local Contribution</b>	<b>\$</b>	<b>16,000,000</b>

\* Operating Budget does not include transportation and non-debt capital costs.

Determine budgeted Transportation Costs:	\$	4,500,000
Determine budgeted Non-Debt Capital Costs:	\$	500,000

Determine Aggregate of Total OTN Town Assessments: \$ 41,000,000

The Aggregate of Total OTN Town Assessments is the sum of the Total Required Local Contributions, the Aggregate Amount Above Required Local Contribution, Transportation Costs, and Non-Debt Capital Costs.

Compute Capped Percentage Increase:

Determined by calculating the percentage increase in the Aggregate of Total OTN Town Assessments, plus 2.0%.

Aggregate of Total OTN Town Assessments Current Year	\$	41,000,000
Aggregate of Total OTN Town Assessments Prior Year	\$	39,500,000
Difference in \$	\$	1,500,000
Difference in %		3.8%
Add in 2.0%		2.0%
<b>Total Capped Percentage Increase</b>		<b>5.8%</b>



Determine which Member Towns, if any, are above the Capped Percentage Increase:

Determined by comparing each Member Town's preliminary Total OTN Town Assessment for the current year to its Total OTN Town Assessment the prior year.

	Total OTN Town Assessments				
	Current Year	Prior Year	Difference \$	Difference %	Excess Amount
Town A	\$ 725,667	\$ 750,000	\$ (24,333)	-3.2%	
Town B	\$ 1,994,333	\$ 2,170,000	\$ (175,667)	-8.1%	
Town C	\$ 2,262,333	\$ 2,370,000	\$ (107,667)	-4.5%	
Town D	\$ 2,623,333	\$ 2,780,000	\$ (156,667)	-5.6%	
Town E	\$ 2,914,000	\$ 2,540,000	\$ 374,000	14.7%	\$ 226,680
Town F	\$ 5,441,333	\$ 2,690,000	\$ 2,751,333	102.3%	\$ 2,595,313
Town G	\$ 8,505,667	\$ 8,800,000	\$ (294,333)	-3.3%	
Town H	\$ 16,533,333	\$ 17,400,000	\$ (866,667)	-5.0%	
<b>Totals</b>	<b>\$ 41,000,000</b>	<b>\$ 39,500,000</b>	<b>\$ 1,500,000</b>	<b>3.8%</b>	<b>\$ 2,821,993</b>

Town E and Town F are above the Capped Percentage Increase of 5.8% by a combined amount of: \$ 2,821,993

Determine the amounts of the excess to allocate to Member Towns below the Capped Percentage Increase:

Determined by calculating updated Rolling Average Applicable Percentages for the Below the Cap Towns only.

	Rolling Average		
	5-Year Avg.	Applicable %	Excess Amount
Town A	\$ 322,000	2.1%	\$ 60,082
Town B	\$ 938,000	6.2%	\$ 175,022
Town C	\$ 1,082,000	7.2%	\$ 201,891
Town D	\$ 1,220,000	8.1%	\$ 227,640
Town E			
Town F			
Town G	\$ 3,862,000	25.5%	\$ 720,612
Town H	\$ 7,700,000	50.9%	\$ 1,436,746
<b>Totals</b>	<b>\$ 15,124,000</b>	<b>100.0%</b>	<b>\$ 2,821,993</b>

Update each Member Town's Amount Above the Required Local Contribution:

Determined by adjusting each Member Town's Amount Above the Required Local Contribution based on the redistribution of excess determined above.

	Updated		
	Amount Above Req Local Cont	Adjustment	Amount Above Req Local Cont
Town A	\$ 286,222	\$ 60,082	\$ 346,304
Town B	\$ 833,778	\$ 175,022	\$ 1,008,800
Town C	\$ 961,778	\$ 201,891	\$ 1,163,669
Town D	\$ 1,084,444	\$ 227,640	\$ 1,312,085
Town E	\$ 1,077,333	\$ (226,680)	\$ 850,653
Town F	\$ 1,479,111	\$ (2,595,313)	\$ (1,116,202)
Town G	\$ 3,432,889	\$ 720,612	\$ 4,153,501
Town H	\$ 6,844,444	\$ 1,436,746	\$ 8,281,191
<b>Totals</b>	<b>\$ 16,000,000</b>	<b>\$ -</b>	<b>\$ 16,000,000</b>

Compute each Member Town's Updated Total OTN Town Assessment:

Determined by totaling each Member Town's Required Local Contribution, Amount Above Required Local Contribution, Transportation Assessment, and Non-Debt Capital Assessment. The Amount Above Required Local Contribution here is the updated one.

	Updated				
	Required Local Contribution	Amount Above Req Local Cont	Transportation Assessment	Non-Debt Capital Assessment	Updated Total OTN Town Asmnt
Town A	\$ 350,000	\$ 346,304	\$ 80,500	\$ 8,944	\$ 785,749
Town B	\$ 900,000	\$ 1,008,800	\$ 234,500	\$ 26,056	\$ 2,169,355
Town C	\$ 1,000,000	\$ 1,163,669	\$ 270,500	\$ 30,056	\$ 2,464,224
Town D	\$ 1,200,000	\$ 1,312,085	\$ 305,000	\$ 33,889	\$ 2,850,974
Town E	\$ 1,500,000	\$ 850,653	\$ 303,000	\$ 33,667	\$ 2,687,320
Town F	\$ 3,500,000	\$ (1,116,202)	\$ 416,000	\$ 46,222	\$ 2,846,020
Town G	\$ 4,000,000	\$ 4,153,501	\$ 965,500	\$ 107,278	\$ 9,226,279
Town H	\$ 7,550,000	\$ 8,281,191	\$ 1,925,000	\$ 213,889	\$ 17,970,079
<b>Totals</b>	<b>\$ 20,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ 4,500,000</b>	<b>\$ 500,000</b>	<b>\$ 41,000,000</b>

Determine which Member Towns, if any, are above the Capped Percentage Increase:

Determined by comparing each Member Town's updated Total OTN Town Assessment for the current year to its Total OTN Town Assessment the prior year.

	Total OTN Town Assessments			
	Current Year	Prior Year	Difference \$	Difference %
Town A	\$ 785,749	\$ 750,000	\$ 35,749	4.8%
Town B	\$ 2,169,355	\$ 2,170,000	\$ (645)	0.0%
Town C	\$ 2,464,224	\$ 2,370,000	\$ 94,224	4.0%
Town D	\$ 2,850,974	\$ 2,780,000	\$ 70,974	2.6%
Town E	\$ 2,687,320	\$ 2,540,000	\$ 147,320	5.8%
Town F	\$ 2,846,020	\$ 2,690,000	\$ 156,020	5.8%
Town G	\$ 9,226,279	\$ 8,800,000	\$ 426,279	4.8%
Town H	\$ 17,970,079	\$ 17,400,000	\$ 570,079	3.3%
<b>Totals</b>	<b>\$ 41,000,000</b>	<b>\$ 39,500,000</b>	<b>\$ 1,500,000</b>	<b>3.8%</b>

Since each of the Member Towns' updated Total OTN Town Assessment increase is less than or equal to the Capped Percentage Increase of 5.8%, the updated Total OTN Town Assessments are the current year's Total OTN Town Assessments to use.

Compute each Member Town's Minimum OTN Town Assessment:

Determined by totaling each Member Town's Required Local Contribution, Transportation Assessment, and Non-Debt Capital Assessment.

	Required Local Contribution	Transportation Assessment	Non-Debt Capital Assessment	Minimum OTN Town Asmnt
Town A	\$ 350,000	\$ 80,500	\$ 8,944	\$ 439,444
Town B	\$ 900,000	\$ 234,500	\$ 26,056	\$ 1,160,556
Town C	\$ 1,000,000	\$ 270,500	\$ 30,056	\$ 1,300,556
Town D	\$ 1,200,000	\$ 305,000	\$ 33,889	\$ 1,538,889
Town E	\$ 1,500,000	\$ 303,000	\$ 33,667	\$ 1,836,667
Town F	\$ 3,500,000	\$ 416,000	\$ 46,222	\$ 3,962,222
Town G	\$ 4,000,000	\$ 965,500	\$ 107,278	\$ 5,072,778
Town H	\$ 7,550,000	\$ 1,925,000	\$ 213,889	\$ 9,688,889
<b>Totals</b>	<b>\$ 20,000,000</b>	<b>\$ 4,500,000</b>	<b>\$ 500,000</b>	<b>\$ 25,000,000</b>

Determine which Member Towns' Total OTN Town Assessment, if any, are below the Minimum OTN Town Assessment:

	Total OTN Town Asmnt	Minimum OTN Town Asmnt	Difference \$	
Town A	\$ 785,749	\$ 439,444	\$ 346,304	
Town B	\$ 2,169,355	\$ 1,160,556	\$ 1,008,800	
Town C	\$ 2,464,224	\$ 1,300,556	\$ 1,163,669	
Town D	\$ 2,850,974	\$ 1,538,889	\$ 1,312,085	
Town E	\$ 2,687,320	\$ 1,836,667	\$ 850,653	
Town F	\$ 2,846,020	\$ 3,962,222	\$ (1,116,202)	Adjustment Needed
Town G	\$ 9,226,279	\$ 5,072,778	\$ 4,153,501	
Town H	\$ 17,970,079	\$ 9,688,889	\$ 8,281,191	
<b>Totals</b>	<b>\$ 41,000,000</b>	<b>\$ 25,000,000</b>	<b>\$ 16,000,000</b>	

Town F's Total OTN Town Assessment is less than its Minimum OTN Town Assessment. Town F's Total OTN Town Assessment must be raised to be its Minimum OTN Town Assessment and the other towns' Total OTN Town Assessment decreased correspondingly.

Determine the difference in Total OTN Town Assessment and the Minimum OTN Town Assessment for Town F to allocate to the other towns:

Determined by calculating updated Rolling Average Applicable Percentages for the towns other than Town F.

	Rolling Average		
	5-Year Avg.	Applicable %	Difference Amt
Town A	\$ 322,000	2.0%	\$ (22,002)
Town B	\$ 938,000	5.7%	\$ (64,091)
Town C	\$ 1,082,000	6.6%	\$ (73,931)
Town D	\$ 1,220,000	7.5%	\$ (83,360)
Town E	\$ 1,212,000	7.4%	\$ (82,813)
Town F			
Town G	\$ 3,862,000	23.6%	\$ (263,882)
Town H	\$ 7,700,000	47.1%	\$ (526,124)
<b>Totals</b>	<b>\$ 16,336,000</b>	<b>100.0%</b>	<b>\$ (1,116,202)</b>

Update each Member Town's Amount Above the Required Local Contribution:

Determined by adjusting each Member Town's Amount Above the Required Local Contribution based on the redistribution of Town F's assessment difference determined above.

	Amount Above		Updated
	Req Local Cont	Adjustment	Amount Above Req Local Cont
Town A	\$ 346,304	\$ (22,002)	\$ 324,303
Town B	\$ 1,008,800	\$ (64,091)	\$ 944,708
Town C	\$ 1,163,669	\$ (73,931)	\$ 1,089,738
Town D	\$ 1,312,085	\$ (83,360)	\$ 1,228,725
Town E	\$ 850,653	\$ (82,813)	\$ 767,840
Town F	\$ (1,116,202)	\$ 1,116,202	\$ -
Town G	\$ 4,153,501	\$ (263,882)	\$ 3,889,619
Town H	\$ 8,281,191	\$ (526,124)	\$ 7,755,067
<b>Totals</b>	<b>\$ 16,000,000</b>	<b>\$ -</b>	<b>\$ 16,000,000</b>

Compute each Member Town's Updated Total OTN Town Assessment:

Determined by totaling each Member Town's Required Local Contribution, Amount Above Required Local Contribution, Transportation Assessment, and Non-Debt Capital Assessment. The Amount Above Required Local Contribution here is the updated one.

	Updated				
	Required Local Contribution	Amount Above Req Local Cont	Transportation Assessment	Non-Debt Capital Assessment	Updated Total OTN Town Asmnt
Town A	\$ 350,000	\$ 324,303	\$ 80,500	\$ 8,944	\$ 763,747
Town B	\$ 900,000	\$ 944,708	\$ 234,500	\$ 26,056	\$ 2,105,264
Town C	\$ 1,000,000	\$ 1,089,738	\$ 270,500	\$ 30,056	\$ 2,390,294
Town D	\$ 1,200,000	\$ 1,228,725	\$ 305,000	\$ 33,889	\$ 2,767,614
Town E	\$ 1,500,000	\$ 767,840	\$ 303,000	\$ 33,667	\$ 2,604,507
Town F	\$ 3,500,000	\$ -	\$ 416,000	\$ 46,222	\$ 3,962,222
Town G	\$ 4,000,000	\$ 3,889,619	\$ 965,500	\$ 107,278	\$ 8,962,397
Town H	\$ 7,550,000	\$ 7,755,067	\$ 1,925,000	\$ 213,889	\$ 17,443,956
<b>Totals</b>	<b>\$ 20,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ 4,500,000</b>	<b>\$ 500,000</b>	<b>\$ 41,000,000</b>

Determine which Member Towns' Total OTN Town Assessment, if any, are below the Minimum OTN Town Assessment:

	Total OTN Town Asmnt	Minimum OTN Town Asmnt	Difference \$
Town A	\$ 763,747	\$ 439,444	\$ 324,303
Town B	\$ 2,105,264	\$ 1,160,556	\$ 944,708
Town C	\$ 2,390,294	\$ 1,300,556	\$ 1,089,738
Town D	\$ 2,767,614	\$ 1,538,889	\$ 1,228,725
Town E	\$ 2,604,507	\$ 1,836,667	\$ 767,840
Town F	\$ 3,962,222	\$ 3,962,222	\$ -
Town G	\$ 8,962,397	\$ 5,072,778	\$ 3,889,619
Town H	\$ 17,443,956	\$ 9,688,889	\$ 7,755,067
<b>Totals</b>	<b>\$ 41,000,000</b>	<b>\$ 25,000,000</b>	<b>\$ 16,000,000</b>

Since each of the Member Towns' Total OTN Town Assessment is greater than or equal to the Minimum OTN Town Assessment, the Total OTN Town Assessments are the current year's Total OTN Town Assessments to use.